



FOR IMMEDIATE RELEASE

April 9, 2008

FACT SHEET

FY09 Budget Week

MAYOR'S BUDGET HAS MASSIVE INCREASE IN FUNDING FOR DEFERRED MAINTENANCE AND LONG-DELAYED IMPROVEMENTS

SANDERS' ADDITION OF \$82.3 MILLION IN FUNDING BRINGS CITY'S CAPITAL IMPROVEMENTS PROGRAM BUDGET TO OVER \$573 MILLION

Mayor Jerry Sanders' budget for FY09 includes the addition of \$82.3 million in funding to help address the City's deferred maintenance and Capital Improvement Program needs. The additional funding included by the Mayor will bring the total budgeted amount for CIP efforts in FY09 to more than \$573 million.

Until Mayor Sanders took office, the City of San Diego's existing capital assets, including City facilities, its water and wastewater systems, streets, and storm drains had gone without adequate funding for many years. As a result, the condition of these assets had continued to decline with the backlog of required maintenance and repair work continuing to increase annually.

Since taking office the Mayor has championed budget initiatives that have consistently increased the budget for addressing these needs. The Mayor's efforts have increased the CIP budget year over year since he took office and have continued to increase the overall percentage of the City's budget dedicated to deferred maintenance and other CIP needs.

| | FY07 | FY08 | FY09 |
|--------------------------------|------------------------|------------------------|------------------------|
| CIP Budget | \$293,671,493 | \$491,636,238 | \$573,959,934 |
| Total City Budget | \$2,556,327,528 | \$2,916,040,659 | \$3,294,758,518 |
| CIP as a % of the Total Budget | 11.49% | 16.94% | 17.54% |

MAYOR'S CIP FUNDING WILL IMPROVE PLANTS, PUMPS AND PIPES FOR WATER AND SEWER

The Mayor's CIP budget will allow the City to take big steps in its effort to repair and replace its crumbling water and sewer system infrastructure. The new CIP budget includes the private funding arranged by the Mayor for both systems. The \$163.7 million CIP budget for the Water Department will

fund improvements to the Miramar and Alvarado Treatment Plants in addition to continuing its cast iron water main replacements program in neighborhoods throughout the City. The City's Metropolitan Wastewater Department will be provided more than \$100 million in CIP funding in the Mayor's FY09 budget and will use the majority of those funds for the replacement, repair and rehabilitation of pipelines throughout the City.

MAYOR'S CIP FUNDING HELPS STREET REPAIRS JUMP 57% OVER LAST YEAR

The Mayor is using his proposed CIP budget for FY09 to help push overall street repairs up by 57% from levels budgeted this year. The Mayor's CIP budget will support 78.5 miles of street overlay work (an increase of 91% over the amount budgeted for this effort in this fiscal year).

Improving City streets has been a focal point for the Mayor's deferred maintenance program. Since taking office, the Mayor has increased the number of miles budgeted for street repairs in each of his balanced budgets. The Mayor's FY09 budget includes 760% more funding for miles street repairs that in the year before the Mayor took office.

The table below shows how the Mayor has increased street funding (budget amounts, mileage and percentages over the previous year).

| Project Type | FY 06 Budget (Miles) | FY 07 Budget (Miles) | FY 08 Proposed (Miles) | FY09 Proposed (Miles) |
|--|-------------------------------------|---|---|--|
| Street Overlay (Asphalt) <i>CIP Funded</i> | \$1,421,895 (4.5 Miles) | \$8,208,222 (477%) (21 Miles) (367%) | \$18,500,000 (125%) (41.1 Miles) (96%) | \$45,400,000 (145%) (78.5 Miles) (91%) |
| Slurry Seal <i>Non-CIP Funded</i> | \$770,000 (20 Miles) | \$4,790,000 (522%) (79.5 Miles) (297%) | \$7,000,000 (46%) (93.3 Miles) (17%) | \$13,280,000 (89%) (132.8 Miles) (42%) |
| TOTAL | \$2,191,895 (24.5 Miles) | \$12,998,222 (493%) (100.5 Miles) (310%) | \$25,500,000 (96%) (134.4 Miles) (34%) | \$60,380,000 (137%) (211.3 Miles) (57%) |

Highlights of FY09 CIP Budget by Department

Engineering and Capital Projects: The Department's Fiscal Year 2009 Proposed CIP Budget is \$152.0 million and funded in part from the TransNet funding included in the Mayor's budget. This budget provides \$60.0 million for utilities undergrounding. Other projects to be funded by this department's CIP budget include:

- \$10.3 million for ADA improvement efforts
- \$7.4 million for 43rd Street and Logan/National Avenue Intersection improvements
- \$5.0 million for State Route 163 and Friars Road

- \$2.4 million for Otay Truck Route Widening Phase III
- \$1.8 million for Aldine Drive and Fairmount Avenue – Slope Restoration
- \$300,000 for First Avenue Bridge over Maple Canyon - Rehabilitation

Environmental Services: The Department's Fiscal Year 2009 Proposed CIP Budget is \$6.6 million drawn primarily from enterprise funds collected by the Department. The major projects for Fiscal Year 2009 include:

- \$1.8 million for Future Waste Management Disposal and Processing Facilities
- \$1.5 million for South Miramar Landfill Slopes
- \$1.0 million for South Chollas Landfill – Gas Upgrades
- \$480,000 for West Miramar Phase II – Landfill Gas System

General Services: The Department's Fiscal Year 2009 Proposed CIP Budget is \$84.7 million that will be drawn primarily from private financing (\$60 million) and from funds provided to the City by Proposition 1B and the proceeds from the sale of the City's underperforming real estate assets. The significant allocations of the Department's CIP budget are the:

- \$45.4 million for street resurfacing
- \$31.8 million for improvements to City facilities including roof replacements, air conditioning and heating upgrades and replacements
- \$7.5 million for sidewalk replacement and reconstruction

Metropolitan Wastewater: The Department's Fiscal Year 2009 Proposed CIP Budget is \$104.1 million. The funding for sewer projects is provided by the sewer rate increase the Mayor helped pass early last year which also supports private financing. The Department's CIP budget includes the execution of Federal Consent Decree projects. The major projects for Fiscal Year 2009 include:

- \$61.1 million for pipeline repair, replacement, and rehabilitation
- \$16.0 million for repair and upgrade of pump stations
- \$12.7 million for replacement of trunk sewers
- \$9.0 million for repair and upgrade of treatment plants

Park and Recreation: The Department's Fiscal Year 2009 Proposed CIP Budget is \$35.2 million. Park and recreation projects are funded by a variety of sources, including Facilities Benefit Assessment Fees, Park Development Fees, Development Impact Fees, State and federal grants, and City funds. Projects for Fiscal Year 2009 include: play area upgrades, joint use fields, accessibility improvements, comfort stations, picnic shelters, Balboa Park and Mission Bay Park improvements, sports field and security lighting, and new park development.

Water: The Water Department's Fiscal Year 2009 Proposed CIP Budget is \$163.7 million with funding provided by the water rate increases the Mayor helped to enact last February which also support private financing. The Department's CIP budget supports the infrastructure needed to ensure a reliable water supply and includes projects contained in the Compliance Order from the California Department of Public Health. Major projects to be funded in the Mayor's FY09 CIP budget include:

- \$44.0 million for upgrades to the Miramar Water Treatment Plant
- \$41.6 million for water main replacements
- \$22.7 million for an expansion of the Alvarado Water Treatment Plant
- \$9.3 million for the Otay Water Treatment Plant
- \$8.6 million for Otay 2nd Pipeline Improvements
- \$5.2 million for Rancho Peñasquitos Pump Station
- \$2.2 million for the North City Reclamation System
- \$1.9 million for security upgrades throughout the Water system